

A regular meeting of the Michigan State Employees' Retirement System Board was held at the State Secondary Complex, General Office Building, First Floor, Conference Room A, Lansing, Michigan, on March 15, 2012. The following members, staff and observers participated:

Members Present: Robert Brackenbury, representing State Treasurer
Douglas Drake, Retiree Member
George Elworth, representing the Attorney General
Matthew Fedorchuk, Employee Member
John Gnodtke, representing State Personnel Director
Douglas Johnson, Retiree Member
Craig Murray, representing the Deputy Auditor General

Staff Present: Phil Stoddard, Executive Secretary
Chanda Donnan, Recording Secretary

Others Present: Patrick Fitzgerald of the Office of Attorney General; Laurie Hill and Lois Musbach from Office of Retirement Services; June Morse and Bob Kopasz from State Employees Retirement Association; and Todd Tennis of Coalition for Secure Retirement

Call to Order

Chair Douglas Drake called the meeting to order at 1:34 p.m.

Excusing of Absent Members

George Elworth moved, Douglas Johnson supported, to excuse the absence of Randall Gregg. The motion carried unanimously.

Approval of Agenda

Craig Murray moved, Douglas Johnson supported, to move agenda item 8 (Board Consideration of Application Extension) to follow agenda item 10 B (Timeliness of Application for Disability Retirement Under MCL 38.67). The motion carried unanimously.

Robert Brackenbury moved, George Elworth supported, to move agenda item 11B (Annual Investment Report) to follow agenda item 6 (New Pension Recipients). The motion carried unanimously.

Craig Murray moved, Robert Brackenbury supported, to approve the agenda as amended. The motion carried unanimously.

Approval of Minutes

Robert Brackenbury moved, John Gnodtke supported, to approve the regular session meeting minutes of January 19, 2012. The motion carried unanimously.

Special Report

Gregory Parker, Director of Investments – Public Markets and of Asset Allocation, of the Bureau of Investments, presented the Annual Investment Report to Board members and answered questions.

Disability Retirement Applications

Non-Duty Disability Retirement Applications

George Elworth moved, Robert Brackenbury supported, to approve non-duty disability applications 1-4, 7-14, 16, & 17 as presented in the Supplemental Information to the Agenda, 7A. The motion carried unanimously.

Douglas Johnson stated he would recuse himself from discussion and abstain from voting on non-duty disability application 5. George Elworth moved, Matt Fedorchuk supported, to approve non-duty disability application 5 as presented in the Supplemental Information to the Agenda, 7A. The motion carried with Douglas Johnson abstaining.

John Gnodtke moved, Robert Brackenbury supported, to approve non-duty disability applications 6 and 15 as presented in the Supplemental Information to the Agenda, 7A. The motion carried unanimously.

Duty Disability Retirement Applications

Douglas Johnson moved, George Elworth supported, to approve duty disability applications 1-3 as presented in the Supplemental Information to the Agenda, 7B. The motion carried unanimously.

Administrative Hearings

Proposal for Decision – Docket 2011-35468 SERS

The Board considered the case materials. Douglas Johnson moved, Craig Murray supported, that the Board adopt as its own the recommendations of the Presiding Officer in the December 8, 2011 Proposal for Decision, including the proposed Findings of Fact and Conclusions of Law, and deny Petitioner's application for non-duty disability retirement benefits under MCL 38.24. The motion carried unanimously.

Special Report

Robert Brackenbury moved, George Elworth supported, to move agenda item 11A (Reform Update) to follow Administrative Hearings. The motion carried unanimously.

Laurie Hill from the Office of Retirement Services provided an update on the SERS Retirement Reform to the Board members and answered questions.

Public Comments

Comments were received by Bob Kopasz.

Legislative Report

A report was provided for the Board's information.

Executive Secretary Comments

Mr. Stoddard stated that he couldn't be more impressed with staff. Act 264 provided for the process of blending Defined Benefit and Defined Contribution plans to have a stable funding source and a level playing ground for hiring.

Board Comments

None were received.

Unfinished Business

Craig Murray moved, Douglas Johnson supported, that the Board meet in closed session under section 8(h) of the Open Meetings Act and section 12(1)(g) of the Freedom of Information Act, which exempts from public disclosure "[i]nformation or records subject to the attorney-client privilege," to consult with the Board's attorney about his three memoranda of legal advice regarding: timeliness of an application for Tier 2 disability retirement benefits; the effect of the Court of Appeals Nason decision on current Board rules; and the effect of the Nason decision on the processing of disability retirement applications. A roll call vote was taken and the motion carried unanimously. A brief recess was taken to allow the public to exit the room.

The Board entered Closed Session at 2:33 p.m.

The Board returned from Closed Session at 3:57 p.m.

Board Consideration of Disability Application Extension – Lee-3630

Craig Murray moved, Douglas Johnson supported, to remove the item from the table. The motion carried unanimously.

The Board considered the request materials. Douglas Johnson moved to reject and deny applicant's request for a later filing date. The motion died for lack of support.

Craig Murray moved, Robert Brackenbury supported, to approve the application as being received timely and to approve the request to extend filing date. Motion carried with 1 opposed vote.

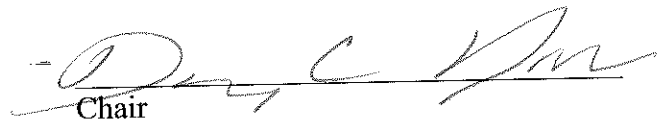
Board Consideration of Disability Application Extension – Har-2661


The Board considered the request materials. Douglas Johnson moved, George Elworth supported, that the Board move to accept Applicant's request to waive timeline. The motion carried unanimously.

Adjournment

Robert Brackenbury moved, George Elworth supported, that the meeting be adjourned. The motion carried unanimously. The Chair adjourned the meeting at 4:13 p.m.

OFFICIAL MINUTES


Chair


Executive Secretary